

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

NEW PENSION SYSTEM - Contributory Pension Scheme –Implementation of New Pension System (NPS) in the State – Uploading of contributions of both Subscriber and Government simultaneously – Release of Budget towards Government contribution – Exemption from Budget control – Orders – Issued.

FINANCE (PENSION-I) DEPARTMENT

G.O.Ms.No. 196

Dated: 24.07.2012

Read the following:-

1. G.O.Ms.No.653, Finance (Pension.I) Department, dated 22-09-2004.
2. G.O.Ms.No.655, Finance (Pen.I) Department, dated 22-09-2004.
3. GO Ms No. 151, Fin (pension) Dept, Dt:02.07.2007
4. DTA Lr. No D II/10393/ 2012, Dt :28-06-2012

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ORDER:

The State Government have introduced Contributory Pension Scheme to the employees recruited on or after 1.9.2004 vide reference 1st read above on the same lines of Government of India's New Pension System. Government have issued instructions for implementation of the scheme vide reference 2nd read above. As per these instructions, it is mandatory for each employee, who has been recruited on or after 01-09-2004, to become member of the Scheme. Each employee shall pay a monthly contribution of 10% of Basic Pay and Dearness Allowance from his salary to the Contributory Pension Scheme(CPS). The contribution shall be recovered from the salary of the employee every month. An equal contribution will be made by the employer. The Pension Fund Regulation & Depository Authority (PFRDA) has appointed the National Securities Depository Limited (NSDL) Mumbai, as the Central Record Keeping Agency (CRA) to maintain the records of contribution and its deployment in various pension fund schemes for the employees. The SBI, LIC, and UTI have been selected as Pension Fund Managers (PFMs) for investing the CPS funds. Bank of India has been appointed as CPS Trustee bank. NPS Trust has been set up as Trustee for CPS funds.

2. The Director of Treasuries and Accounts, AP, Hyderabad (DTA) on behalf of Government of Andhra Pradesh entered into agreements with the CRA i.e. NSDL on 21.11.2008 and NPS Trust on 15.09.2009. Nodal Officers such as DDOs have to deduct CPS contributions from the monthly pay bills of employees. The Treasury Officers (DTOs/STOs) have to upload the CPS contributions to the CRA i.e., NSDL and corresponding amounts have to be transferred to Trustee Bank. From the Pension Trust, the funds are transferred to the Pension Fund Managers for investing the funds in various schemes.

3. The DTA in the reference 4th read above has informed that as per the procedures prescribed in the G.O. Ms No. 655, Finance (Pen.I) Dept, Dt:22.09.2004 and G.O.Ms.No.151, Finance (Pen.I) Dept., Dt.02.07.2007 Employee contributions and Government contributions under CPS Scheme shall be credited to the following head of accounts:

8342 – Other Deposits
117 - Defined Contribution Pension Scheme for Government Employees.
SH (04) – AP State Government Employees Contributory Pension Scheme
001 – Employees Contribution &
002 – Government Contribution

4. In the clause xi of the G.O. Ms No. 655, Finance (Pen.I) Dept, Dt: 22.09.2004, it was stated that the Accountant General would adjust the Employee contribution and Government contribution every month and transfer those amounts to the PFRDA or any agency authorized by it. It was also stated therein that the Government contribution to the Scheme shall be debited to the following head of account:

2071- Pension and other retirement benefits
01 – Civil
117 – Government contribution for defined contribution pension scheme
SH (04) – Contribution to Contribution Pension Scheme of Andhra Pradesh State Government Employees
320 – Contributions

5. Consequent on entrustment and operationalization of the scheme, the DTA has taken action to adjust the Employee and Employer contributions under 8342-117-SH (04)-001 and 8342-117- SH (04)-002 and upload the data of both monthly contributions to the NSDL (CRA) and transfer the funds to the Trustee Bank. In this process every Treasury officer prefers an adjustment bill in 'Form – 40' under the former head of account for the amounts equal to the Employees' contribution required to be uploaded, adjusts amount to the latter head of account and takes action for transfer of both the amounts from the latter head of account by issuing a cheque or RTGS for transfer of the amount to the Trustee Bank.

6. The Treasury officer is to debit the required Government contribution every month from the relevant head of account. Since this is a regular monthly process, it is essential that this process be free from both treasury controls and regulations. During the review meeting held on 05.06.2012 with regard to implementation of CPS, proposals from the DTA/PAO/DWA were called for, to streamline this process, so that the Government matching contribution of 10% of Pay + DA would be paid along with the Pay plus DA of the employee and transmitted to the trustee Bank.

7. Accordingly, the DTA has sent a proposal for issue of necessary orders by the Government.

8. After careful consideration, Government hereby exempt from budgetary control and quarterly regulations for all drawals from the head of account **2071 – Pension and other Retirement benefits– 01.Civil - 117.Government contribution for defined contribution pension scheme - SH (04) – Contribution to the Contribution Pension Scheme of Andhra Pradesh State Government Employees - 320 – Contributions** only in so far as they relate to Government contributions matching to Employee contributions under the NPS. Both the Employees' and Government contribution should be uploaded into the Subscriber's accounts simultaneously and transferred to the PD Account **8342 – Other Deposits - 117 - Defined Contribution Pension Scheme for Government Employees - SH (04) – AP State Government Employees Contributory Pension Scheme - 002 – Government Contribution.**

9. The procedure shall be followed by the Treasury Officers (TO) with effect from 01.08.2012.

- (i) On receipt of details of Employee contributions through pay bill schedule, the Treasury Officer shall upload the Subscriber Contribution File (SCF) containing the details of employee contributions and Government contributions to the CRA and obtain Transaction Number(TN).
- (ii) He shall post the amount equivalent to the employee contributions in the PD Account: 8342-117-SH(04)-001 and prefer an adjustment bill for transferring it to the HOA:8342-117-(04)-002.
- (iii) Then he shall transfer equivalent amount from **2071 –01 – 117- SH (04) –320 – Contributions** to the PD Account: 8342-117-SH(04)-002 towards Government Contribution.
- (iv) Then he shall prepare a consolidated cheque for the amount equivalent to both the Employee contributions and matching Government contributions and transfer that amount through RTGS to the Trustee Bank duly quoting the transaction number of SCF uploaded, received from the NSDL.
- (v) The Treasury Officer shall watch the transactions till the SCFs are matched and booked and reconcile the funds transferred.

10. As per the Scheme, it is envisaged that the Trustee Bank will transfer funds to the Fund Managers who invest through SBI, UTI, LIC at the rates of 40%, 31% & 29% respectively. The subscribers can view the Net Asset Value (NAV) of their investments from the web site www.npscra.nsdl.co.in by their individual Logins and passwords. The subscribers can get the information of NAV every month through SMS / email.

11. The Director of Treasuries and Accounts (DTA) / Pay & Accounts Officer (PAO)/ Director of Works Accounts (DWA) shall take necessary further action in the matter accordingly. Further, the DTA/PAO/DWA shall workout the requirement of funds to upload the contributions for the legacy period from 01.09.2004 and furnish necessary proposals to the Government immediately.

12. The DTA shall issue comprehensive rules, specifying detailed administrative procedure to be followed by the Treasury / subscriber for accessing NSDL, incorporation of Transaction Number in file, transfer of funds etc. These instructions shall be issued before July 31st, 2012, so that the transfer procedure outlined above is put into effect by 01.08.2012.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

V. BHASKAR
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Principal Accountant General (A&E), A.P., Hyderabad
The Director of Treasuries and Accounts, A.P., Hyderabad.
The Pay and Accounts Officer, Hyderabad.
The Director of Works and Accounts, A.P., Hyderabad.
Copy to the Finance (BG.III) Department.

/// FORWARD BY ORDER ///

SECTION OFFICER